THE HONOUABLE SRI JUSTICE V.ESWARAIAH

W.P. No. 15018 of 2007

Date:17-07-2007

Between:

Manik Chand Jain **.. PETITIONER**

AND

A.P. State Financial Corporation, Mettuguda, Mahaboobngar

..

RESPONDENT

ORDER:

The petitioner seeks a writ of mandamus to declare the action of the respondent in insisting the balance loan amount in spite of seeking time for six months, as illegal and arbitrary.

It is the case of the petitioner that he is the managing partner of M/s. Mahaveer Stone Crushers and he has obtained loan of Rs.78,70,000/- in the year 2002. But, in view of the financial difficulties faced by the petitioner and as the unit could not be run well, he could not pay the agreed instalments and thus, there remained an amount of Rs.72 lakhs and odd along with the accrued interest thereon and accordingly, a notice dated 27.06.2007 was issued advising the petitioner to pay the outstanding amounts on or before 10.07.2007. To avoid the proposed action demanding an amount of Rs.69,75,087/- towards principal and Rs.2,78,439 towards interest and another sum of Rs.1,505/- totaling Rs.72,55,031/- by impugned notice, dated 27.06.2007, the petitioner gave reply, dated 09.07.2007 requesting six months time to pay the entire dues along with the interest. It is stated that as the said representation was not considered, the petitioner constrained to file this writ petition.

Learned counsel appearing for the respondent on instructions submits that the respondent is inclined to grant six months time, provided the petitioner pays the monthly instalments commencing from August, 2007. The petitioner submits that the instalments may be granted commencing from September, 2007.

Having regard to the facts and circumstances of the case, the writ petition is disposed of permitting the petitioner to pay the entire due amount as demanded by the respondent vide its notice dated 27.06.2007 in six monthly equal instalments; first instalment commencing from September, 2007 and the first instalment shall be

paid on or before 09.09.2007. If any of the instalment is not paid by the petitioner, it is open for the respondent to close the account and proceed against the petitioner in accordance with law. No costs.

V.ESWARAIAH, J.

Date:17.07.2007
ccm